



If any person decides to appeal any decision made by the Board with respect to any matter considered at this meeting, that person will need a record of the proceedings, and that, for such purpose, the person may need to ensure that a verbatim record of the proceedings is made, which record includes the testimony and evidence upon which the appeal is to be based.

**REGULAR MEETING MINUTES**  
**Tuesday, January 14, 2016, 5:30 p.m.**  
Commission Chambers at City Hall  
Delray Beach, FL 33444

**STAFF PRESENT:**

Jeff Costello	Yuberca Pena	Susan Shaw
Lori Hayward	Isaac Kovner	David Tolces
Joan Goodrich	Jasmine Allen	Candi Jefferson
Thuy Shutt	Elizabeth Burrows	John Morgan
Kristyn Cox		

**OTHERS PRESENT:**

Jane Smith	Marisa Gottesman	Tom Fleming
Carl Fleming	Grecia Edmond	Mike Campbell

**1. Call to Order**

Chairman Cox called the meeting to order at 5:35.

**2. Roll Call**

Present: Reggie Cox, Cathy Balestriere, Joe Bernadel, Bill Branning, Daniel Rose, Herman Stevens, Paul Zacks

Absent: None

**3. Approval of Agenda**

Mr. Stevens made a motion to approve the Agenda which was seconded by Mr. Bernadel and passed unanimously.

**4. Approval of the Minutes**

**A. December 15<sup>th</sup> Board Meeting**

Mr. Bernadel made a motion to approve the Minutes of the December 15, 2015 Board Meeting.

Ms. Balestriere seconded the motion which passed unanimously.

**5. Public Comments on Non-Agenda and Consent Agenda Items - None**

**6. P&Z**

**A. The Flossy Building – Class V Site Plan – 124 NE 5<sup>th</sup> Avenue**

Senior Planner Candi Jefferson presented the item. The development proposal involves the

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construction of a 2-story mixed use building with retail on the ground floor and two residential units on the upper floors. A waiver is being requested to have no landscape island at the end of two of the parking rows which staff supports.

The Board Chair called for any public comments. There were none.

Mr. Bernadel asked about the residential units and if they would be available to rent. Ms. Jefferson did not know yet if they are rental or condominium units or if they will be owner occupied, but she did say staff knows one will be a one bedroom and the other a two bedroom unit. Board consensus was supportive of the project.

**B. Purlife Fitness Center – Class III Site Plan Modification – 45 NE 2<sup>nd</sup> Avenue**

Planner Jasmine Allen presented the petition which involves an expansion of the existing fitness center to occupy the entire building at 45 NE 2<sup>nd</sup> Avenue. The plans include a restaurant with indoor and outdoor seating, which is the reason for the request to convert the use from commercial to restaurant. That conversion would require four additional parking spaces. With the Ocean City Lumber development there was a surplus of 22 parking spaces, and the property owner has approved the use of four of the parking spaces by Purlife; therefore the required four spaces can be accommodated.

The Board Chair called for any public comments. There were none.

Mr. Zacks asked if the surplus of parking was in the area in back of that complex which supports Brews Room. Ms. Allen said there is a documented surplus. Executive Director Jeff Costello stated that the Ocean City Lumber site plan was approved prior to the changes to the code, so the required parking was grandfathered in when the new code went into effect. Mr. Zacks noted that parking always seems full. Board consensus was supportive of the petition.

**7. Consent Agenda**

- A. Economic Development Monthly Update – December 2015**
- B. CRA Monthly Financials – October 2015**
- C. Second Amendments to Repurchase Agreements – Habitat for Humanity of SPBC**
- D. First Amendment to ILA with City – Construction/Professional Services FY 14-15**
- E. Construction Agreement for 221-223 SW 12<sup>th</sup> Avenue – C. J. Contracting LLC**
- F. Ratification of Second Amendment to Munilytics Agreement – CRA TIF Analysis**
- G. Resolution No. 2016-04 – Modification to 2012 Bonds**

Mr. Cox requested to pull Items 7C, D, and F for discussion.

Mr. Zacks made a motion to approve the Consent Agenda as amended. Ms. Balestriere seconded the motion which passed unanimously.

**7C Second Amendments to Repurchase Agreements – Habitat for Humanity of SPBC.**

Mr. Cox asked if the board would consider workshopping this item. He noted the land was conveyed in 2012, and this amendment will take the completion date for a home to be built to October of 2016 which is four years. He feels the board needs to look at the Affordable Housing Program, that the performance in completing home construction is not what was anticipated. Mr.

Branning asked the status of the properties conveyed in 2012. Mr. Costello stated Habitat received 6 of the 12 properties conveyed, and noted that one of the Habitat homes is under construction and two others are being delayed in permitting. Mr. Bernadel had a concern that there are people who are waiting for homes and wanted to know if there was customarily a time frame given for completion. Mr. Costello stated they are encouraged to develop the lots to assist in the stabilization of the community. He added that there can be issues getting qualified buyers, and these agencies don't begin construction until they have the buyers. He noted the contracts with Habitat for Humanity and the Community Land Trust (CLT) for affordable housing do include the ability for the CRA to repurchase the land.

Mr. Zacks was glad the item was pulled for discussion and felt it should not have been on the Consent Agenda. He wanted to know more about the properties, whether the additional time requested is a realistic time frame for completion, etc. He noted Habitat has had some financial issues and wanted to be sure the item will not be coming back to the board. Mr. Costello did note that the properties are under way for their potential owners, and that if the board wishes Mike Campbell of Habitat could come to the next meeting to address the topic. Ms. Balestriere asked about the status of the properties conveyed to the CLT as well. Mr. Costello stated that his understanding is that five of the CLT's lots will be constructed by the developer of the Metropolitan, and construction is supposed begin in May. Lots conveyed in 2012 are included in those five parcels.

Grecia Edmond of the CLT addressed the board stating that the CLT has a surplus of lots, with twelve available lots. Potential homeowners can pick and choose which one they want, and the CRA conveyed lots may not have been selected yet.

Mr. Branning noted Habitat will be in default in a week if this item is not approved and he would like to keep it moving. He made a motion to approve and authorize the CRA Board Chair to execute the Second Amendments to the Repurchase Agreements with Habitat for Humanity of South Palm Beach County to extend the development time frame to October 31, 2016 for: 51 SW 12<sup>th</sup> Ave, 145 SW 11<sup>th</sup> Ave, 421 SW 5<sup>th</sup> Ave, in accordance with the terms and conditions specified in the agreements. Mr. Zacks seconded the motion which passed unanimously. Mr. Costello stated he will schedule a workshop to discuss the disposal of properties for Affordable Housing and the housing partners will be invited. He noted the board voted to have Workshops every other month and that more could be scheduled as needed, and there is not one scheduled for February. Board consensus was to schedule a February Workshop.

#### **7D First Amendment to ILA with City – Construction/Professional Services FY 14-15**

Mr. Cox asked for clarification on this item. Mr. Costello responded that the CRA is managing the Martin Luther King project directly with its consultants rather than going through the City. Therefore, some corrections had to be made on several funding amounts as the expenses were handled directly by the CRA. Contract Manager Yuberca Pena also clarified for the board a \$36 expense which was actually a reimbursement for a recording fee with a zero net effect. Mr. Rose made a motion to approve the revised Amendment No. 1 to the Interlocal Agreement between the City of Delray Beach and the CRA for funding of Construction/Professional Services for Fiscal Year 2014-15, to modify Exhibit "A", to reflect the actual amount of funding provided by the CRA to the

City for the projects at the end of FY 2014-15. The motion was seconded by Ms. Balestriere and passed unanimously.

#### **7F Ratification of Second Amendment to Munilytics Agreement – CRA TIF Analysis**

Mr. Cox asked if extending the completion date to February 19<sup>th</sup> would be enough time or would the board see this item again. He feels with contracts all need to be more cognizant of contract timelines. Mr. Costello noted he did get the draft of the Agreement earlier in the day which he will be reviewing. He chose the date of February 19<sup>th</sup> to build in time for the Munilytics presentation to the board at the first meeting in February and then have time to make any needed revisions. Ms. Balestriere commented that she felt two of the three items Mr. Cox pulled from the Consent Agenda should have been on the Regular Agenda and questioned the rationale behind an item going on the Consent Agenda. Mr. Costello said that an extension of time was built into this particular agreement. Ms. Balestriere felt the contracts might not be being well managed given the amount of times they come back to the board for extensions. Mr. Costello stated that he felt the contracts were well managed on the CRA's end given the amount of contracts handled, but that it is difficult to account for delays on the outside contractors end. He did note there is no penalty clause currently in CRA Agreements and that is something perhaps the board would want going forward. Mr. Bernadel and Mr. Branning agreed a penalty clause would be helpful. CRA Attorney David Tolces said a penalty clause will be taken into account in drafting future contracts.

Mr. Zacks noted that part of his concern with granting Munilytics the contract was that they would not be able to meet the timeline, and he too felt this item should have been on the Regular Agenda. Mr. Cox agreed, and added he would like staff to be vigilant about all the check points in an Agreement to help keep them on track. Mr. Zacks asked why the board can't have the item on the Agenda for the next meeting since Mr. Costello already has the draft. Mr. Costello responded that February would allow staff to have time to review to assure all requested information was included and to make any necessary revisions. Mr. Rose commented the CRA needs this report and does not want mistakes from rushing it, and that lessons can be learned from this going forward such as a penalty clause.

Mr. Rose asked what the ramifications would be if the extension is not approved. Mr. Tolces said that Munilytics would technically be in default, and noted the contract did allow the Executive Director to grant a 30 day time extension. Mr. Cox asked if this was not a performance issue on the part of Munilytics. Mr. Bernadel stated the intent of this discussion he thought was to establish tighter parameters for the future. Mr. Cox asked about if there was a date yet for the next CRA/City Joint Workshop date, noting this item is needed prior to that so the board can review it. Mr. Costello responded there is not yet a date but March was discussed. He added that while we received a draft, Munilytics is still working on some of the graphs. Munilytics will be presenting their findings at the February 11<sup>th</sup> Board Meeting, and they need to be kept under contract for any needed revisions noted Mr. Costello.

Mr. Branning made a motion to approve the Second Amendment to the Agreement with Munilytics, Inc. for the CRA District TIF Analysis, extending the completion date to February 19, 2016. Mr. Bernadel seconded the motion which passed unanimously.

## **8. Old Business**

### **A. Updates – CRA-City Joint Workshop & Old School Square (OSS) Campus/Park Improvements RFQ – Negotiations with CSA Architects**

Mr. Costello presented the item, summarizing the discussion at the December 8, 2015 City Commission/CRA Board Joint Worksession where the status and funding of prioritized CIP Projects were discussed as well as the OSS Park/Campus Project. With regard to the OSS Project, he stated that CSA Architects have no concerns with having a facilitator for the public engagement process, and he noted that it was stated at the City Commission Meeting that Fred Kent has agreed to assist the Director of OSS with the facilitation of the public engagement process pro bono. It is staff's recommend that negotiations be suspended with CSA Architects temporarily.

Mr. Branning recused himself from the discussion and vote due to a conflict of interest. The Board Chair called for any public comments. There were none.

Mr. Bernadel noted that the Update provided states the CRA and City need to baseline the plans for all neighborhoods, and he wanted more detail on that and whether each neighborhood will be called upon. Mr. Costello responded staff is working with the City, and there will be a community engagement process. They are looking at the neighborhood plans to see what has been done to date, what is left to be accomplished, and what new things may need to be added. Mr. Bernadel would like the focus to be on how to proceed not on what happened in the past. Ms. Balestriere expressed her confidence in OSS Director Rob Steele and his willingness to work with the City, the CRA and WARC. She feels that Mr. Steele and Mr. Kent are both qualified to conduct a community gathering. She noted that the CRA went through the process of finding the right firm for the Design Improvements and agrees negotiations with them need to be suspended temporarily; however, she does not understand what the concerns were with whether we should continue with the firm selected and she hopes those concerns will be verbalized and discussed with the board prior to any decisions being made to stop the negotiations. She then made a motion to suspend negotiations with Currie Sowards Aguila Architects for the Center Park Improvements temporarily until Rob Steele and Fred Kent have facilitated and completed the community meeting and then the CRA will re-engage in negotiations with CSA Architects following the results being presented to the CRA Board. The motion failed due to lack of a second.

Mr. Zacks stated that while he does not understand why the Mayor does not care for the firm selected, he is reluctantly going along with this suspension to be a good working partner with the City. He suggested Chairman Cox write a letter to the Mayor to secure a date for the next Joint Workshop. It should come from the Board and it needs to get scheduled. Mr. Stevens concurred, and got some clarification on a portion of the vote to suspend negotiations with CSA at the November 5<sup>th</sup> CRA Board Meeting. He noted that he has never seen so much good will in the NW/SW neighborhoods and said the CRA needs to stay on course. He agrees the City and CRA need to be partners, but does not care to be dictated to by the Commission since the CRA is an independent Board. Mr. Rose made a motion to suspend negotiations with Currie Sowards Aguila Architects for the Center Park Improvements for ninety (90) days. The motion was seconded by Mr. Bernadel and passed 5-1 with Mr. Stevens dissenting and Mr. Branning abstaining.

## **9. New Business**

### **A. FY 2015/16 Budget**

#### **1. Resolution No. 16-01 – Budget Amendment No. 1**

Ms. Hayward presented the Budget Amendment which reflects the modifications discussed by the Board in October and November of 2015. She reviewed some of the modifications, and turned it over to the Assistant Director Thuy Shutt. Ms. Shutt reviewed the changes to the CIP Projects.

The Board Chair called for any public comments. There were none.

Mr. Branning got clarification regarding the Warehouse/Arts Incubator, commenting he did not recall discussing phasing of the project. Ms. Shutt clarified that \$1.8 million was Bob Currie's estimate, and the \$1.28 million is the amount to activate the southern portion of the building only. Mr. Bernadel asked about which alleyways in Osceola Park are going to be addressed as people have been asking him. Mr. Costello said 3 alleys have recently been constructed and there are no more scheduled for construction this fiscal year. He stated that funding this year is for the design of all the neighborhood improvements, and that staff will hold community meetings and gather input. Mr. Cox requested the Work Plan be given as backup along with the budget to be able to refer to the projects. Mr. Zacks made a motion to approve CRA Resolution No. 16-01 adopting Budget Amendment No. 1 for FY 2015-2016. Ms. Balestriere seconded the motion which passed unanimously.

#### **2. Interlocal Agreement – City-CRA Construction/Professional Services FY 15-16**

Ms. Shutt stated these items are a result of board discussions at the Board Workshop and other meetings, and some increases are related to updated cost estimates. She briefly summarized the modifications and noted one minor change reallocating funds from SW 14<sup>th</sup> Avenue and adding \$20,000 to the Block 32 Alley and increasing the amount for the NW/SW Neighborhood Alley by \$30,00 (totaling \$330,000) to design more alleys.

The Board Chair called for any public comments. There were none.

Mr. Branning made a motion to approve the Interlocal Agreement with the City of Delray Beach for funding of Joint Projects for Fiscal Year 2015-16. Ms. Balestriere seconded the motion which passed unanimously.

#### **B. Resolution No. 16-03 – Purchase & Sale Agreement – 23 SW 14<sup>th</sup> Avenue (Thompson)**

West Atlantic Redevelopment Director Kristyn Cox presented the Agreement, noting it is a vacant lot which would allow the continued stabilization of the area. She gave some background on the item. She stated that the property was appraised at \$55,000 and the seller accepted that price.

The Board Chair called for any public comments. There were none.

Mr. Rose made a motion to approve Resolution No. 2015-03 and the Agreement for Purchase and Sale with Mrs. Ophelia Thompson for the CRA purchase of 23 SW 14<sup>th</sup> Avenue, with a purchase price of \$55,000.00. Mr. Zacks seconded the motion which passed unanimously.

### **C. Reinstatement of Development Infrastructure Assistance Program and Guideline Modifications**

Economic Development Director Joan Goodrich introduced the item and gave some background regarding the DIA Program to this point. She noted that the DIA and other CRA Incentive tools are designed to drive and stimulate an investment decision. She stated that in modifying this program, feedback was solicited from a variety of sources. Economic Development Manager Elizabeth Burrows then went over the actual modifications, such as reducing the program review from every 5 years to every 3 years and reducing the eligibility area by eliminating subareas 1 and 2. Mr. Cox asked if the board had any questions of Ms. Burrows, as these changes have been discussed previously by the board. Mr. Branning liked the local hiring bonus, but suggested revising the wording under Local Hiring Bonus, paragraph one, the second sentence, to read "The bonus funding will be calculated at a rate of 5% of all certified wages paid to employees of contractor, subcontractor, and construction laborer positions held by Delray Beach residents and directly affiliated with the construction of the approved project." Mr. Bernadel wanted to know the definition of a Delray resident. Ms. Burrows stated that acceptable forms of proof could include a Florida Driver's License, Voters Registration Card or identification card or even a proof of Homestead Exemption. She added that a template agreement will be brought before the board for approval.

Mr. Stevens commented he thought Economic Development had done a great job. Ms. Balestriere asked if they had to live in the CRA District, and Ms. Burrows said no they just had to live in zip codes 33444, 33445, and 33483 and be working on a project within the district. Mr. Cox asked if the funding for multi-family residential was taken out. Ms. Burrows responded that residential is not what we are trying to incent through this program but it does not mean mixed use projects would be precluded from participation in the program. In that case, i.e. Atlantic Crossing, the incentive would be based on a percentage of total commercial square footage that would count toward the incentive.

The Board Chair called for any public comments. There were none.

Mr. Branning made a motion to a Reinstatement the Development Infrastructure Assistance Program with the attached program guidelines, and renew the program for a three-year period ending on September 30, 2018 subject to the amendment of the language in Paragraph One of the Hiring Bonus as restated. Mr. Zacks seconded the motion which passed unanimously.

### **D. Monthly Progress Report – December 2015**

Ms. Shutt presented the item, and noted there were several changes since the item was distributed. Also she commented that while some projects are ready to be bid out, with the changes in the Purchasing Department there are some delays and staff is doing all they can to assist in moving projects along. She then reviewed the program report and went over some of the CRA's priority projects, giving updates and answering any questions. Ms. Balestriere asked about the time frame for completion on the sidewalk missing segments completion. Ms. Shutt said probably about 18 months as they have to get the survey crews out prior to the design phase because some of the grades may not match. Mr. Costello has spoken with ESD staff as to whether a full design plan is needed for missing sidewalk segments, and that it may be possible to expedite the completion of smaller sidewalk segments that don't require full design plans. Ms. Shutt did

have the Service Authorization for providing the missing sidewalk linkages for the following areas: from SW 3<sup>rd</sup> St. from I-95 to SW 3<sup>rd</sup> Ave; NW 7<sup>th</sup> Ave from NW 3<sup>rd</sup> St. to NW 2<sup>nd</sup> St; NW 6<sup>th</sup> Ave from NW 3<sup>rd</sup> St. to NW 2 St; SW 6<sup>th</sup> Ave from SW 2<sup>nd</sup> St. to SW 3<sup>rd</sup> St.; and SW 5<sup>th</sup> Ave from SW 2<sup>nd</sup> St. to SW 3<sup>rd</sup> St. Mr. Cox asked for a small graphic showing the sidewalk project as well as the alleys. Ms. Shutt said that can be provided, and that there will be an alley graphic for your Workshop next month.

Mr. Bernadel asked that on the Housing Study there needs to be a workshop with all the people involved with affordable housing. He also noted there are initiatives occurring that have not yet been discussed and need to be. Ms. Balestriere stated that was a great monthly progress report, but she noted 9 delays and asked if there is not anything the CRA can do to get projects done more quickly. Mr. Costello noted that the CRA could bid the project and work with our consultants to manage the construction of the project. Ms. Balestriere suggested one of the CRA's priority projects could be a test case for that scenario. Mr. Costello will look with staff to see what can be done. Mr. Cox feels if it can be done it should be done and was in full support of getting a consultant to help navigate through a project. Ms. Shutt noted that might call for extra money and time. Mr. Branning stated an independent person was needed, that there must be separate firms in order to alleviate any conflicts. Ms. Shutt said that City Staff does have to inspect as the stamp of approval from the City is necessary.

The Board Chair called for any public comments. There were none.

#### **E. Executive Director's Annual Evaluation**

Finance and Operations Director Lori Hayward introduced the item. Mr. Stevens moved to appoint Bill Branning to be the Commissioner to serve as the Board's liaison for the evaluation process. Ms. Balestriere seconded the nomination which passed unanimously. Mr. Stevens made a motion to approve the Executive Director Evaluation Form as presented. Mr. Rose seconded the motion which passed unanimously.

### **10. Other Business**

#### **A. Comments by Commissioners**

Mr. Bernadel thanked Mr. Costello and the support staff for their good work.

Mr. Stevens concurred with Mr. Bernadel.

Mr. Branning felt that at the Joint Workshop with the City, referring to the dislike for a particular design firm is bad policy, and to change a decision made as a conscious and informed decision and change course is short-sighted.

Ms. Balestriere agreed with Mr. Branning and hopes everyone can continue to respect the process. The CRA is an independent board she stated.

Mr. Zacks also concurred with Mr. Branning. He also reiterated the need for the Chairman to reach out to the Mayor to get the quarterly Joint Workshop dates confirmed.

Mr. Cox noted that regarding the CRA-City Joint Workshops and Old School Square Campus/Park Improvements the West Atlantic Redevelopment Director needs to be included in meetings. He wished all a Happy New Year.



**B. Comments by Board Attorney**

On behalf of himself and Mr. Doody, Mr. Tolces wished everyone a Happy New Year.

**C. Comments by Executive Director**

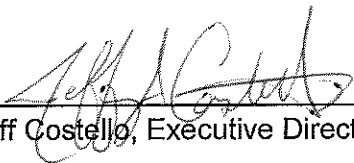
Mr. Costello mentioned that in regard to the Creative City Collaborative A-GUIDE Funding, more information is needed and that item will be on the next Agenda. He passed out a Memo he wrote for the Board updating them regarding discussions he has had with the City Manager regarding potential funding items for the CRA in FY 2016/17. Mr. Zacks said he felt the board should be included in such discussions. Mr. Costello will follow up on a letter to the Mayor from the Board Chair regarding Joint Workshop dates.

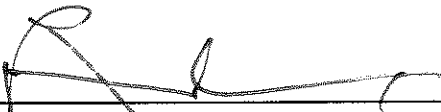
**D. Comments by Staff**

Ms. Shutt reported that staff submitted a grant application to assist with funding the demolition work for some City properties and it does not require much follow up.

**11. Adjournment**

There being no further business, the meeting was adjourned at 8:00.

  
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Jeff Costello, Executive Director

  
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Reginald A. Cox, Board Chair